GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3551
ANSWERED ON:16.12.2005
D-MAT ACCOUNTS IN SBI
Gangwar Shri Santosh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has fixed any limit regarding the purchase of shares within the radius of more than 10 kilometers by the people living in area;

(b) if so, the reasons therefor;

(c) whether the Government has authorized all the branches of State Bank of India to open D-Mat accounts;

(d) if so, the annual charges fixed for this purpose; and

(e) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): No, Sir. The Securities and Exchange Board of India (SEBI) has intimated that the shares of the listed companies can be purchased and sold by investors, irrespective of their location, through the screen based automated order matching mechapism of the stock exchanges.

(b) : Does not arise in view of (a) above.

(c): The State Bank of India (SBI) is registered as Depository National Securities Depository Limited SDL) and Central Depo; Limited (CDSL). It is left to the discretion of the DPs to offer demat their choice. SBI has identified potential branches to open D-mat account.

(d) and (e): The Depositories Act, 1996 and the Securities and Board of India,1996 do not lay down any slructure for charges Exchange (Depositories and Participants) Regulations,to be levied by the depository or by a DP on their clients.The depositories levy fees on their DPs and DPs in turn charge their clients. Thus, DPs and they are free to prescribe/revise their charge structure dependi ng on the types of services offered by them to their clients .The annual maintenance charge of SBI are Rs.250 per annum.